

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re:** : **Chapter 11**  
:   
**SEARS HOLDINGS CORPORATION, et al.,** : **Case No. 18-23538 (RDD)**  
:   
**Debtors.**<sup>1</sup> : **(Jointly Administered)**  
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**SIXTH MONTHLY FEE STATEMENT OF ALVAREZ & MARSAL  
NORTH AMERICA, LLC FOR COMPENSATION EARNED AND  
EXPENSES INCURRED FOR APRIL 1, 2019 THROUGH APRIL 30, 2019**

Name of Applicant: Alvarez & Marsal North America, LLC

Authorized to Provide Professional Services Debtors and Debtors in Possession  
to:

Date of Retention: November 13, 2018, *nunc pro tunc* to  
October 15, 2018

Period for which compensation and April 1, 2019 through April 30, 2019  
reimbursement is sought:

Monthly Fees Incurred: \$36,490.00

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365), and SRE Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

20% Holdback: \$7,298.00

Total Compensation Less 20% Holdback: \$29,192.00

Monthly Expenses Incurred: \$16.66

Total Fees and Expenses Due: \$29,208.66

This is a:   X   monthly        interim        final application

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),<sup>2</sup> Alvarez & Marsal North America, LLC (“A&M”) hereby submits this sixth monthly fee statement (the “Sixth Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as financial advisor to the Debtors, for the period from April 1, 2019 through April 30, 2019 (the “Sixth Monthly Fee Period”). By this Sixth Monthly Fee Statement, A&M seeks payment in the amount of \$29,208.66, which comprises (i) \$29,192.00, representing eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Sixth Monthly Fee Period, and (ii) reimbursement of \$16.66, representing one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

**Services Rendered and Expenses Incurred**

Attached are the following schedules in support of this Sixth Monthly Fee Statement:

- Exhibit A - Summary of Time Detail by Task
- Exhibit B - Time Detail by Activity by Professional
- Exhibit C - Expense Detail by Category.

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<sup>2</sup> Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

**Notice and Objection Procedures**

Notice of this Sixth Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) Paul E. Harner, Ballard Spahr LLP, the independent fee examiner, 1675 Broadway 19th Floor, New York, NY 10019 (email: harnerp@ballardspahr.com); (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (vi) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Sixth Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **May 22, 2019** (the “Objection”).

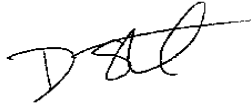
Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no objections to this Sixth Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an objection to this Sixth Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Sixth Monthly Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

*[Remainder of page intentionally left blank]*

Dated: May 7, 2019



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Dennis Stogsdill  
Managing Director  
Alvarez & Marsal North America, LLC



Alvarez & Marsal North America, LLC  
600 Madison Avenue, 8th Floor  
New York, NY 10022  
Phone: +1 212 759 4433  
Fax: +1 212 759 5532

May 7, 2019

Sears Holdings Corporation  
3333 Beverly Road  
Hoffman Estates, IL 60179

Dear Sir or Madam,

Pursuant to the Bankruptcy Court's Order authorizing the retention of Alvarez & Marsal North America, LLC ("A&M") as the financial advisor to the Restructuring Sub-Committee ("RSC") of Sears Holdings Corporation, *et al*, ("Sears" or the "Debtor") with respect to all RSC Conflict Matters *Nunc Pro Tunc* to October 15, 2018, dated November 13, 2018 (the "Retention Order") and the engagement letter between A&M and the Debtor dated October 15, 2018 (the "Engagement Letter"), A&M submits this statement detailing professional fees and expenses in connection with the work completed on behalf of the Debtor for the period from April 1, 2019 through April 30, 2019 (the "Covered Period").

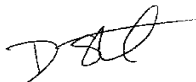
During the Covered Period, A&M rendered professional services totaling \$36,490.00 and incurred expenses related to these services in the amount of \$16.66. A&M is eligible for payment of 80% of the fees incurred and 100% of the expenses incurred pending the fifteen (15) day objection period. Accordingly, the total amount payable herein pending no objections is \$29,208.66.

Attached are the following schedules in support of this monthly statement:

- Exhibit A - Summary of Time Detail by Task;
- Exhibit B - Time Detail by Activity by Professional;
- Exhibit C - Expense Detail by Category

Please do not hesitate to contact me with any questions or concerns.

Sincerely,



Dennis Stogsdill  
Managing Director  
Alvarez & Marsal North America LLC

**Invoice for Professional Fees and Out of Pocket Expenses**  
**For the period of April 1 - April 30, 2019**

Professional Name	Position	Hours		Fees
<b><u>Restructuring</u></b>				
Dennis Stogsdill	Managing Director	3.0	\$1,025	\$ 3,075.00
Nick Grossi	Managing Director	1.6	\$875	1,400.00
Brian Corio	Senior Director	1.4	\$800	1,120.00
Jonah Galaz	Senior Associate	5.0	\$625	3,125.00
Jordan Kravette	Analyst	4.4	\$450	1,980.00
		15.4		10,700.00
<b><u>Disputes &amp; Investigations</u></b>				
Karen Engstrom	Managing Director	16.7	\$800	13,360.00
Edward McDonough	Managing Director	13.1	\$800	10,480.00
Bethany Benesh	Senior Associate	5.2	\$375	1,950.00
		35.0	\$	25,790.00
<b>Total Professional Hours &amp; Fees</b>		<b>50.4</b>	<b>\$</b>	<b>36,490.00</b>
<b>Out of Pocket Expenses: <sup>2</sup></b>				
	Phone/Internet			16.66
<b>Total Expenses</b>			<b>\$</b>	<b>16.66</b>
<b>Total Invoice</b>			<b>\$</b>	<b>36,506.66</b>
<b>Amount to be Paid (80% Fees + 100% Expenses)</b>			<b>\$</b>	<b>29,208.66</b>

(1) In accordance with A&M's Engagement Letter, billing rates for select individuals have increased in FY19 in line with A&M rate adjustments

(2) Includes select expenses from prior months as all expenses must clear A&M internal review and audit before they are submitted on invoice, as such, delayed submissions may appear from time to time.

**Exhibit A**

<b>Matter</b>	<b>Description</b>	<b>Total Hours</b>	<b>Total Fees</b>
Bankruptcy Support	Advise and assist the company on matters concerning operating the business under Chapter 11, including initial operating reports, monthly operating reports, statements & schedules and other reporting requirements.	1.6	\$ 1,400.00
Fee Applications	Prepare monthly fee statements, interim and final fee applications in accordance with court guidelines.	5.1	2,870.00
Investigation	Independent investigation on behalf of the Restructuring Subcommittee regarding the financial condition of the Debtors at the time of various asset transfer/sales and financings.	43.7	32,220.00
<b>Total</b>		<b>50.4</b>	<b>\$ 36,490.00</b>



## Bankruptcy Support

Name	Date	Matter Code	Duration	Description
Nick Grossi	4/1/2019	BNK	1.6	Review updated intercompany matrix

## Fee Application

Name	Date	Matter Code	Duration	Description
Jordan Kravette	4/8/2019	FEE	0.9	Prepare March fee application
Dennis Stogsdill	4/9/2019	FEE	0.5	Review monthly and interim fee application submissions and provide edits
Jordan Kravette	4/9/2019	FEE	0.9	Incorporate comments regarding interim fee application
Jordan Kravette	4/9/2019	FEE	0.3	Prepare March fee application
Jordan Kravette	4/9/2019	FEE	0.9	Incorporate comments regarding March fee application
Jordan Kravette	4/10/2019	FEE	0.2	Incorporate comments regarding March fee application
Dennis Stogsdill	4/11/2019	FEE	0.3	Calculate discount amounts for interim fee application
Jordan Kravette	4/11/2019	FEE	0.3	Multiple emails related to March fee application and interim application
Jordan Kravette	4/11/2019	FEE	0.6	Make additional updates to interim fee application
Dennis Stogsdill	4/12/2019	FEE	0.2	Review draft interim fee applications and provide edits

## Investigation

Name	Date	Matter Code	Duration	Description
Dennis Stogsdill	4/2/2019	INV	0.7	Discussions and emails regarding Debtor request to reconcile various transactional balances; review schedule regarding same
Jonah Galaz	4/2/2019	INV	0.3	Review debtor intercompany matrix
Edward McDonough	4/2/2019	INV	1.1	Participate in call with Giller, Sarath, Hurwitz (Paul Weiss) and Benesh (A&M) regarding trademarks
Edward McDonough	4/2/2019	INV	1.2	Review historical third party trademark report
Edward McDonough	4/2/2019	INV	3.7	Perform analysis of debtor trademarks
Edward McDonough	4/2/2019	INV	0.5	Participate in call with Giller (Paul Weiss) regarding third party trademark valuation
Bethany Benesh	4/2/2019	INV	1.1	Participate in call with Giller, Sarath, Hurwitz (Paul Weiss) and McDonough (A&M) regarding trademarks
Bethany Benesh	4/2/2019	INV	1.7	Analyze third party trademark valuation model
Edward McDonough	4/3/2019	INV	1.3	Perform analysis of debtor trademarks
Bethany Benesh	4/3/2019	INV	1.5	Analyze third party trademark valuation model
Jonah Galaz	4/4/2019	INV	0.7	Review admin claims tracker
Edward McDonough	4/4/2019	INV	3.5	Attend morning session of interview via teleconference
Edward McDonough	4/4/2019	INV	1.8	Attend afternoon session of interview via teleconference
Bethany Benesh	4/4/2019	INV	0.1	Analyze third party trademark valuation model
Dennis Stogsdill	4/5/2019	INV	0.2	Correspondence with Paul Weiss team regarding budget assumptions
Dennis Stogsdill	4/6/2019	INV	0.3	Call with Hurwitz (Paul Weiss) regarding litigation and budgeting update
Dennis Stogsdill	4/10/2019	INV	0.2	Review updated admin claim tracker from Debtor
Dennis Stogsdill	4/10/2019	INV	0.2	Review reconciliation and correspondence with Paul Weiss team regarding same
Dennis Stogsdill	4/10/2019	INV	0.1	Emails to/from M-III regarding admin tracker updates and inquiries
Jonah Galaz	4/10/2019	INV	0.3	Review liquidity projections
Jonah Galaz	4/10/2019	INV	1.4	Prepare bridge of liquidity of projections
Brian Corio	4/10/2019	INV	1.4	Review updated tracker from M-III and prepare bridge to prior version
Jordan Kravette	4/10/2019	INV	0.3	Respond to Giller (Paul Weiss) request regarding legal entities
Dennis Stogsdill	4/12/2019	INV	0.3	Review admin tracker presentation and discuss changes with team
Karen Engstrom	4/12/2019	INV	3.4	Review and provide edits on draft complaint to Paul Weiss
Jonah Galaz	4/12/2019	INV	0.3	Review complaint prepared by Paul Weiss
Bethany Benesh	4/12/2019	INV	0.8	Review Paul Weiss complaint and provide comments
Karen Engstrom	4/13/2019	INV	1.3	Respond to follow up inquires from Paul Weiss regarding draft complaint
Jonah Galaz	4/13/2019	INV	1.3	Review and revise various demonstratives for complaint filed by Paul Weiss
Karen Engstrom	4/14/2019	INV	0.3	Respond to follow up inquires from Paul Weiss regarding draft complaint

## Investigation

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Name	Date	Matter Code	Duration	Description
Karen Engstrom	4/16/2019	INV	2.9	Review and provide edits on draft complaint to Paul Weiss
Karen Engstrom	4/16/2019	INV	0.3	Participate in call with Giller (Paul Weiss) regarding draft complaint
Jonah Galaz	4/16/2019	INV	0.7	Review and revise various demonstratives for complaint filed by Paul Weiss
Karen Engstrom	4/17/2019	INV	2.1	Respond to follow up inquires from Paul Weiss regarding draft complaint
Karen Engstrom	4/17/2019	INV	3.6	Review and provide edits on draft complaint to Paul Weiss
Karen Engstrom	4/17/2019	INV	2.8	Continue to review and provide edits on draft complaint to Paul Weiss

Exhibit C

Name	Item / Description	Expense Type	Date	Amount
Dennis Stogsdill	03/13/2019 - 04/12/2019 Wireless Usage Charges	Phone/Internet	4/12/2019	16.66
			\$	16.66